

MINUTES
of the
JOINT MEETING
of the
LOS ALAMOS NATIONAL LABORATORY OVERSIGHT COMMITTEE
and the
INFORMATION TECHNOLOGY OVERSIGHT COMMITTEE

August 24, 2005
Fuller Lodge
Los Alamos

The joint meeting of the Los Alamos National Laboratory (LANL) Oversight Committee and the Information Technology (IT) Oversight Committee was called to order by Senator Phil A. Griego, co-chair of the LANL Oversight Committee, on August 24, 2005 at 10:15 a.m. at the Fuller Lodge in Los Alamos.

LANL Oversight Committee

Present

Rep. Roberto "Bobby" J. Gonzales, co-chair
Sen. Phil A. Griego, co-chair
Rep. Thomas A. Anderson
Sen. Richard C. Martinez
Sen. William H. Payne
Rep. Debbie A. Rodella
Rep. Nick L. Salazar
Sen. William E. Sharer

Sen. John T.L. Grubestic

Rep. Jane E. Powdrell-Culbert

Absent

Advisory Members

Sen. Mary Jane M. Garcia
Rep. Ben Lujan
Rep. Jeannette O. Wallace

Sen. Ben D. Altamirano

Sen. Stuart Ingle

IT Oversight Committee

Present

Rep. Debbie A. Rodella, chair
Rep. Janice E. Arnold-Jones
Sen. Richard C. Martinez
Sen. William H. Payne
Rep. Thomas C. Taylor
Rep. Luciano "Lucky" Varela

Absent

Sen. John Arthur Smith, vice chair
Sen. Vernon D. Asbill
Sen. Linda M. Lopez
Rep. Richard D. Vigil

Advisory Members

Sen. Phil A. Griego
Rep. Jeannette O. Wallace

Sen. Rod Adair
Sen. Mark Boitano
Sen. Pete Campos
Rep. Richard P. Cheney
Sen. Carlos R. Cisneros
Rep. Justine Fox-Young
Rep. Ted Hobbs
Sen. Gerald Ortiz y Pino

Staff

Raul E. Burciaga
Cleo Griffith
Tim Crawford
Kathleen Dexter

Guests

The guest list is in the meeting file.

Copies of all handouts and written testimony are in the meeting file.

Wednesday, August 24**Welcome**

Michael Wheeler, vice chair of the Los Alamos County Council, and Richard Marquez, LANL associate director for administration, welcomed the committees to Los Alamos and thanked the legislature for its work in support of LANL and communities in the area. Mr. Marquez reported that bids for the LANL contract are now being reviewed; the winner will be announced by December 1, and there will be a six-month transition period between current operations and new operations before the new contract goes into effect on June 1, 2006.

Because he has stepped in after a year of turmoil, LANL Director Robert Kuckuck's focus has been to bring an atmosphere of calm to the lab. The 9/80 work schedule that had been suspended in the past year will be restored by mid-September, cost-of-living increases will go into effect on October 1 and discussions are under way on providing child care at the lab. Mr. Kuckuck has formed a business advisory council and a subcontractor consortium as means of addressing needs identified by surrounding communities. The lab will collaborate with New Mexico State University (NMSU) to offer a master's of business administration (MBA) degree through NMSU's distance learning program and will continue its support for the executive MBA program available through the University of New Mexico (UNM). It is also working with Northern New Mexico College to create a property manager certification program.

On questioning from committee members, Mr. Marquez stated that:

- LANL is working with the University of California (UC) on "what if" planning

- regarding benefits under the new contract;
- the new contractor can reconfigure salary schedules for fairness and equity;
- the request for proposal requires that the new employer of record be a limited liability corporation and that community outreach programs be continued at their current level for the life of the contract;
- the MBA program through NMSU is available to all lab employees;
- Mr. Marquez is the only Hispanic at LANL in a position at or above the division level;
- the National Nuclear Security Administration (NNSA) is conducting type B investigations to discover the root causes of the safety incidents at the lab during the past year; and
- LANL has a consent order with UNM that dictates remedial and environmental milestones in cleaning up hazardous waste following the Cerro Grande fire.

In general discussion, committee members voiced concern that retirement benefits should continue intact under the new contract; LANL must work with New Mexico colleges to design training programs in engineering and science so local residents can qualify for upper-level LANL jobs; and LANL's slow response to news stories regarding the recent beating of a lab employee in Santa Fe left the impression that the incident was somehow tied to the lab.

Enterprise Project

George Hansrote, director of the LANL enterprise project, gave a status report on the project as it nears full implementation. After an independent review in 2003 found that there was little probability of success in executing the project as it was initially conceived and staffed, major changes were made in project management and structure in 2004, and it is now on track for full implementation by October. The total project cost is \$160 million. On questioning from the committees, Mr. Hansrote stated that independent verification and validation (IV&V) for the project is being done internally; as each module is released, the legacy system it replaces is completely shut down unless it interfaces with the new system; and there is a separate help desk and support team specific to the enterprise project.

LANL Student Programs

Barbara Tenorio-Grimes, LANL education and employment outreach specialist, gave an overview of the lab's American Indian education outreach program, which focuses on science education outreach in public schools and recruitment for the lab's student intern program. The lab's current Native American student interns represent 12 tribes from around the country, and half of the interns are from the neighboring pueblos of Santa Clara and San Ildefonso. Four interns — Melanie Zamora, Shannon Duran-Dinwiddie, Jeremy Yepa and Aria Sanders — reported on their work in the program and how it applies to their prior experience and future plans. On questioning from the committees, the interns stated that LANL helps them with their education by allowing flexible work schedules and by attempting to place interns in work related to their studies. They also cited gifted and talented programs, math and science clubs, having scientists participate in classrooms at all grade levels and exposing students to minority and female role models as effective ways to encourage children to pursue science and engineering.

Ms. Tenorio-Grimes reported that funding for the program is an ongoing problem.

LANL Computer Security

Alex Kent, LANL technical staff member, gave a presentation on computer security threats to LANL and on the lab's response system. Besides handling data from nearly 25,000 computers working within LANL, the network also handles millions of contacts daily via the internet. Malicious external network traffic such as worm, virus and spyware attacks can sometimes total 20 million sessions in a single day. The LANL network prevents the compromise of sensitive information in these attacks through a system of compartmentalized information and functions, one-time passwords, user education on security risks, automated vulnerability scans, intruder-specific alarms, intrusion and prevention systems and a 24-hour computer security incident response team. On questioning from committee members, Mr. Kent stated that while the security system is tight, the weak link is the user, and user education is critical. In the case of an attack, getting information out to users is hampered because the system itself cannot be used without giving information to the attacker. He also noted that the network security group has been involved with the enterprise project since the early design phase.

In general discussion, committee members debated taking an offensive, rather than defensive, approach to cybersecurity and noted that New Mexico law is weak in the area of cybercrime.

LANL Foundation Update

Susan Herrera, director of the LANL Foundation, gave a presentation on the foundation's work to invest resources in education and community development throughout northern New Mexico. The foundation operates on a blend of private and government funding, including an annual \$3 million appropriation from LANL. It gives \$1 million annually to school and community programs in the region and has awarded 325 scholarships to date to area students through its LANL Employees Scholarship Fund, which is funded solely from donations made by lab employees. Ms. Herrera urged the LANL Oversight Committee to do what it can to ensure that the foundation's funding be continued under the new LANL contract.

On motion duly made, seconded and adopted without objection, the LANL Oversight Committee voted to send a letter to the NNSA Source Evaluation Board in support of continuing the current level of funding for the LANL Foundation under the new contract.

IT Commission Update and Office of the Chief Information Officer (OCIO) Update

Carroll Cagle, chair of the IT Commission, gave an update on the commission's work to improve its management structure and review IT projects. The commission recently approved a rule governing IT project oversight and is in the process of approving a rule on project certification; it is also now requiring IV&V on all projects. At the last IT Commission meeting, projects totaling \$7 million were approved. Roy Soto, state CIO, stated that the OCIO is changing its approach to reporting to the IT Commission away from a focus on the technical aspects of projects and toward a focus on the business and management aspects of projects.

On questioning from committee members, the presenters, who were joined by Karen Baltzley, CIO for the General Services Department (GSD), and David Goodrich, IT performance auditor for the Legislative Finance Committee, stated that:

- the CIO for the Higher Education Department will be named this week and will work to link higher education and public education IT systems;
- the governor's consolidation initiative is focused on consolidation of data centers, help desks and servers; the GSD budget request for fiscal year 2007 will include consolidation costs; and the GSD rate review will be completed by September 30;
- the state does not have an inventory of assets; there is an inventory system online that agencies use, and the OCIO recently issued a request for agencies to provide inventory information regarding help desks, laptops and servers. Establishing a baseline inventory is an important issue for the governor; and
- the Secretary of State's Office is conducting a mock election to test its voter registration and election management system.

In general discussion, committee members expressed concern that not all IT projects are going through the OCIO review and certification process and that it is difficult to track those projects funded with non-state money.

Other Committee Business — LANL Oversight Committee

On motion duly made, seconded and adopted without objection, the minutes to the July 20, 2005 LANL Oversight Committee meeting were approved as written.

The LANL Oversight Committee discussed and debated the merits of writing a letter in support of UC in the contract bid process, with concerns raised as to whether one sovereign government should attempt to influence the decisions of another and whether such a letter might put the committee at a disadvantage in its oversight role if the other bidder wins the contract. On motion duly made, seconded and adopted by a majority of committee members, committee staff was directed to send the letter based on a draft presented to the committee, with language changes suggested by committee members.

The meeting was adjourned at 4:35 p.m.